



Montgomery County Council

From the Office of Councilmembers Tom Perez & Marilyn Praisner

For Immediate Release

July 23, 2004

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COUNCIL MAJORITY TO PUSH FORWARD ON PRESCRIPTION DRUG DISCOUNT CARD FOR COUNTY RESIDENTS

Councilmembers Tom Perez and Marilyn Praisner today unveiled a new initiative to promote affordable prescription drugs for County residents – a prescription drug discount card that could save 15 percent to 30 percent off the full price of U.S. medicines.

The cards would cost the County and individual residents nothing and no significant expenses would be needed to implement the program. The National Association of Counties has initiated a pilot program to distribute discount drug cards. Earlier this month, Nassau County, New York initiated a similar effort, as have other counties in New Jersey, New York, Michigan, and Pennsylvania.

The proposal is the latest in a series of initiatives by the Council to make prescription drugs more affordable. In addition to Perez and Praisner, the resolution is sponsored by Councilmembers George Leventhal, Howard Denis, and Phil Andrews.

Last week, the Management & Fiscal Policy Committee, chaired by Councilmember Praisner, unanimously recommended a program to lower drug costs for the County by allowing County employees and retirees to purchase certain prescription maintenance drugs from other providers, including Canadian providers. *(more...)*

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In this year's budget, the Council approved \$300,000 for a "Community Pharmacy" that would stock medications for use by the dozen clinics run by non-profits in the County who service the estimated 80,000 residents who are uninsured.

"When it comes to helping residents afford prescription drugs, every little bit helps," said Councilmember Perez. "This discount card can be especially helpful for those with no health insurance or those with a poor prescription drug benefit. Right now, they are paying 'full boat.'"

"I am pleased that the National Association of Counties has taken the lead and that Montgomery County can be one of the 30 counties in their new pilot program," said Praisner, who represents Maryland on the NACo board of directors.

"This complements the Council's approval of the Community Pharmacy and our proposed drug program to save the County money on drugs for our employees and retirees," said Leventhal, who chairs the Council's Health and Human Services Committee.

"Prescription drugs cost too much. Whatever we can do as a County to address the very real needs out there, we ought to do."

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Resolution No.: _____
Introduced: July 27, 2004
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Perez, Praisner, Denis, Leventhal, and Andrews

Subject: Establishing a Countywide Prescription Drug Discount Card Program

Background

1. On April 20, 2004 the Montgomery County Council received a **REPORT OF THE INTERAGENCY JOINT LABOR/MANAGEMENT COMMITTEE ON PRESCRIPTION DRUGS FROM CANADA** which made three specific recommendations for lowering the cost of prescription drugs for County employees, retirees and residents:
 - a) Design a health benefits program for employees and retirees that includes the option of safely ordering FDA approved prescription drugs from Canada at significantly reduced cost. The program should be limited to certain maintenance drugs, and should exclude bio-medications. The program should increase incentives for the use of any domestic or Canadian mail order option.
 - b) Restructure existing health benefits to take advantage of economies of scale that can reduce overall costs to the County and employees and retirees.
 - c) Investigate fully the potential for establishing a prescription drug discount program for County residents.

The Council requested that the Management and Fiscal Policy Committee (MFP) review the recommendations in light of its oversight of employee and retiree benefits and the resolution introduced by Councilmembers Perez, Leventhal, and Denis.

2. The Management and Fiscal Policy Committee examined the issues of lowering costs of prescription drugs for employees and retirees during four work sessions and on July 13, 2004 unanimously recommended

support for a program similar to that planned by the City of Boston for employees and retirees.

3. There are many residents of Montgomery County who have no prescription drug benefits to help them pay for the fast rising costs. Many of these people are those least able to pay—seniors on fixed incomes, people with disabilities, and the working poor who follow the rules and still are struggling to survive. However, many are people who are middle class but self-employed or working for small businesses that are unable to provide generous prescription benefits.
4. The County should do whatever is possible and fiscally responsible to help our residents maintain their good health. The Council has made its commitment clear in the creation of a new Community Pharmacy and support for community health clinics. There is a need to pursue a drug discount program that could serve all residents as recommended by the Joint Labor/Management Committee.
5. The Joint Labor/Management Committee investigated the potential of establishing a countywide prescription drug discount program. The Committee found that, although no panacea, such a discount card program could contribute significantly to the public health and well-being. County residents currently paying retail prices for prescriptions could realize an average savings of 16 percent on name brand drugs and 33 percent on generic drugs at no cost to the government or residents.
6. The National Association of Counties (NACo) is initiating a pilot program with Caremark, Inc. in 30 counties and Montgomery County should pursue becoming one of the NACo pilot programs. Many counties have similar programs in place; Nassau County, New York announced one in June 2004.
7. The primary administration of the program would be by a private company with local independent support by existing non-profit organization(s) such as Senior Health Initiative Program, which has an established record of serving the community with healthcare advice and information. This would mean no new government organization or administrative requirements.

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Council recommends that appropriate steps be taken to implement a prescription drug discount card program available to County residents beginning in January 2005.

This is a correct copy of Council action.

Mary A. Edgar, CMC
Clerk of the Council